


THE COUNCIL FOR TOBACCO RESEARCH-U.S.A., INC.
110 EAST 59TH STREET
NEW YORK, N. Y. 10022

LITERATURE RETRIEVAL DIVISION
ROOM 808

March 22, 1978

MEMORANDUM FOR: Ms. Brown
Mssrs. Decker
Finnegan
Hoel

Ed Jacob has asked me to forward the enclosed information, which deals with the expiration of one of the Division's leases.



Frederick B. Giller

FBG/as
Enc.
cc: E. Jacob
bc: F. Colby

THE COUNCIL FOR TOBACCO RESEARCH-U.S.A., INC.
110 EAST 59TH STREET
NEW YORK, N. Y. 10022

LITERATURE RETRIEVAL DIVISION
ROOM 808

March 21, 1978

OFFICE SPACE FOR THE LITERATURE RETRIEVAL DIVISION

BACKGROUND

Part of the office space now occupied by the Literature Retrieval Division will not be available after January 31, 1979.

The lease for the original Room 808 expires on January 31, 1979, there is no renewal option, and the owner has informed us that he does not intend to extend the lease beyond the expiration date. The sublease for the additional space taken in August 1975 expires in 1989, but there is a provision for cancellation effective January 31, 1979, provided notification of intent to cancel occurs prior to April 30, 1978.

There are certain advantages to keeping the Division in the same office building with C.T.R. and the Tobacco Litigation File, and I understand that a number of options will be open for office space at 110 E. 59th Street for occupancy in 1979.

SPACE REQUIREMENTS

Our present quarters are rather cramped, and by December 31, 1978 our additional budgeted staff and equipment will occupy virtually all the available space on our premises. Thus, we will be concentrating in our current area enough staff and equipment to justify an area of approximately 14,000 to 15,000 square feet of rentable space.

We have projected that a minimum of 15,000 square feet of rentable space will be required for the operation of the Division through approximately the year 1983. (Refer to the attached Estimate of Five-Year Space Requirements). The exact requirements will vary, depending on the ratio of rentable to useable space and on the configuration.

The projection of 15,000 square feet is based on certain assumptions regarding the long-term operation of the Division, including the acceptance of the latest draft of the Scope of Coverage, the continued use of a preliminary data bank to store and retrieve in-process documents, only gradual growth of the Editorial Services group, installation of the Division's own small computer, etc. (Refer to the attached Notes to the Estimate of Five-Year Space Requirements).

SUGGESTED PLAN OF ACTION

1. Give notice prior to April 30, 1978 of our intent to cancel our sublease dated August 21, 1975.
2. Investigate openings for office space at 110 E. 59th Street. (A new lease should be signed no later than October 1978 to allow three months for renovations)
3. In the event that suitable office space is not available at 110 E. 59th Street, investigate alternative buildings.

COSTS AT 110 E. 59th STREET

During 1977 our total cost for rent, including electricity plus real estate taxes and the usual escalations, was approximately \$120,000 for 9,339 square feet of rentable space. These amounts are the sums of the costs and square footage under our lease dated December 30, 1970 and our sublease dated August 21, 1975.

Based on tentative proposals by the building's agent, we estimate that it will cost approximately \$225,000 per year to occupy 16,000 square feet of rentable space on the fourth floor. Of course, the exact amount will depend on the final, negotiated cost per square foot and on certain tax estimates and escalations. (The entire fourth floor is available and consists of 19,500 square feet of rentable space. The building's agent has made a tentative offer to take over approximately 3,500 square feet to rent on a short-term basis - 3 to 5 years - with a right of first refusal granted the Division at the expiration of each such short-term lease).

In addition to increased rental costs of approximately \$100,000 per year, there would be a one-time cost of approximately \$100,000 for renovations. I understand that tenants are customarily granted a credit equivalent to approximately one year's cost when a ten year lease is signed; this could be taken as a credit toward renovations and/or rent.

COSTS AT SOME ALTERNATIVE LOCATIONS

Locations near our present area: Rent may run as high as \$14.00 per square foot plus approximately \$1.50 to \$2.00 per square foot for electricity.

Chrysler Building: Recently taken over by Massachusetts Mutual and being elaborately renovated to clients' requirements and upgraded to one of the most modern office buildings in Manhattan. (This is probably the only "new" space available in a prestige building). Rent is approximately \$14.00 to \$15.00 per square foot plus electricity.

Lower Manhattan: Space is available at the World Trade Center, and probably at other locations, at about \$3.00 per square foot less than Mid-or Up-town Manhattan.

Note that available office space appears to be decreasing in the New York City area, and costs are escalating rapidly. In the published opinion of one real estate brokerage firm, lease costs may increase as much as 25% by year-end.



Frederick B. Giller

March 21, 1978

Estimated Five-Year Space Requirements
for the
Literature Retrieval Division

| | <u>Present Sq. Ft.</u> | <u>Additional Required*</u> | <u>Total Sq. Ft. Requirements</u> |
|---|----------------------------|---------------------------------|---------------------------------------|
| <u>ADMINISTRATIVE:</u> | | | |
| Interview/Audit Room | | 100 | |
| Storage Area | | 100 | |
| Conference Room | | 300 | |
| | 952 | 500 | 1,452 |
| <u>COMPUTER SERVICES:</u> | | | |
| Additional Employees | | 200 | |
| Tape Storage | | 100 | |
| Computer Area | | 300 | |
| | 325 | 600 | 925 |
| <u>EDITORIAL:</u> | | | |
| Conference Area | | 100 | |
| Reference Area | | 100 | |
| Additional Employees | | 300 | |
| | 1,508 | 500 | 2,008 |
| <u>LIBRARY:</u> | | | |
| Reference Shelving | | 150 | |
| Journal Collection Shelving | | 100 | |
| Document Storage | | 650 | |
| Reference Area | | 100 | |
| Accessioning Area | | 200 | |
| | 1,591 | 1,200 | 2,791 |
| <u>SEARCH SERVICES:</u> | | | |
| Additional Employees | | 200 | |
| Reference Area | | 400 | |
| | 832 | 600 | 1,432 |
| <u>DATA CONTROL - PRODUCTION:</u> | | | |
| Proofreading Room | | 100 | |
| Additional Employees | | 50 | |
| Storage Area | | 100 | |
| Separation of Interfering Functions | | 200 | |
| | 1,081 | 450 | 1,531 |
| <u>DATA CONTROL - INPUT:</u> | | | |
| Additional Employees | | 200 | |
| Proofreading Area | | 100 | |
| Filing Space | | 100 | |
| | 605 | 400 | 1,005 |
| TOTAL USABLE | 6,894 | | 11,144 |
| TOTAL RENTABLE (+35% at 110 E. 59th St.) | 9,339 | | 15,044 |

* These estimates will vary depending on the layout configuration.

NOTES:

1. ADMINISTRATIVE

An increase in space is required for personnel and accounting functions to service present and predicted staff. Makeshift arrangements now in effect can be eliminated by providing storage space for record retention required by law and by the addition of an interview/audit room for personnel testing, interviewing and screening and for use by accountants and auditors.

The Division's conference room has been utilized for staff.

2. COMPUTER SERVICES

With increased activity in computer operations mandated by increased input, scheduled refinement and editing of existing records, and increased User activity, provisions for a programmer are required for 1978, as are provisions for eventual hire of a department manager.

Increased tape, programming and documentation storage space is required as the system grows.

It is likely that the Division will lease or purchase its own computer during 1979.

3. EDITORIAL SERVICES

This space estimate does not envision a significant increase in Editorial Services staff beyond the 1978 projections. Space used by present editorial staff is not excessively crowded, but the configuration is poor. For seventeen persons, each occupying 100 sq. ft., 1,700 sq. ft. of usable space would be required.

A small conference area and a reference room for use of microfilm reference material are required.

4. LIBRARY

Shelf space for our reference collection is inadequate, and it is estimated that the collection will increase by 5% to 10% per year.

Shelf space for our journal collection is inadequate, and the need for additional space has increased dramatically due to the advisability of retaining back issues of key journals (to facilitate retrospective retrieval of certain articles and to decrease reliance on interlibrary loan copies).

LIBRARY (continued)

Storage requirements for fully processed documents will probably increase by 50% within the next five years, assuming the volume to be approximately 5,000 per year.

Space for hard copy files for in-process documents can increase as much as 200% within the next five years due to the collection of lower priority documents as defined by the Scope of Coverage.

Additional space for hard copy files of HCS and RCP references is needed.

Space is needed for utilization of library reference material.

An increase in accessioning activities requires the addition of one employee and the possible addition of copying equipment.

5. SEARCH SERVICES

Increased User activity has resulted in the need for two additional literature analysts.

The present reference area is inadequate due to an increase in the amount of computer printouts and micrographic reference material.

6. DATA CONTROL

The Production operation requires a proofreading room, additional area for data entry personnel (the current allowance of 60 sq. ft. per person is unacceptable by health and safety standards; increased supply storage area, and the segregation of shredding and mail operations from the camera and offset press operations.

Additional area for new employees, plus area for proofreading and filing, are required.